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KARNATAKA

State managed fiscal situation well during pandemic: Report

During the COVID-19 pandemic, Karnataka managed the fiscal situation reasonably well and was able to contain deficits and debt at sustainable levels, according to a report of **Brickwork Ratings**.

M. Govinda Rao, chief economic advisor of Bengaluru-based **Brickwork Ratings**, in the Karnataka Budget 2021-22 report, said the debt-GSDP ratio at 26% estimated for 2021-22 exceeded the 20% mark for the first time, and the interest payment to revenue ratio at 18.9% is the highest for the State.

“The compression of capital expenditures too is a cause for worry. However, as the size of the GSDP expands as the pandemic is contained and vaccination gathers pace, revenues will increase in absolute terms, and the debt to GSDP ratio will be below the 20% mark,” **Mr. Rao** said.